C1756-1

The Fifth Estate

RADIO TELEVISION CABLE SATELLITE

Broadcasting Feb 12

BETHESDA MD 20814

4520 EAST-WEST HWY
CONGRESSNL INFO SRV **SAMPLE
SRI AC3
20814SRI AT850I 2W2
*********5-DIGIT 20814

59th Year 1990

The groups:

Vol. 118 No. 7

Broadcasting Feb 12

TV group profits...

Look at 1989 earnings of TV station operators shows poor profit picture on weak revenue growth. PAGE 19.

Ad sales are up...

First quarter surprises many with higher than expected increases in advertising sales. PAGE 19.

Duggan sails through confirmation hearing...

Senate approves nomination of Ervin S. Duggan to fill final commissioner vacancy at FCC. PAGE 20.

Ervin S. Duggan

21/ **ROONEY SUSPENDED**

CBS News's Andy Rooney is suspended for three months after allegedly making derogatory remarks about blacks.

21/ **NBC, ABC FOOTBALL DEALS**

NBC gets package of all Notre Dame's 1991-95 home football games and ABC wraps up rights to National Football League's new World League of American Football.

23/ **TV NEWS GOES ON LOCATION**

NBC, CBS, ABC and CNN send journalists to cover historic changes in Soviet Union and South Africa, further stretching resources of TV networks no longer fat.

24/ **SIKES: FCC HARDLINER**

FCC Chairman Alfred Sikes is solidifying his reputation as "one ready to enforce vigorously commission rules and regulations."

27/ **SELLING MOVIE PACKAGES**

Syndicators pitch feature film packages to tightening independent station market.

30/ **MARKETING 'JUMP STREET'**

Televentures is selling syndicated *21 Jump Street* to two competing stations in same market.

30/ **MORE THAN SCARE FARE**

Laurel Entertainment will expand its programing repertoire beyond scare/fantasy shows, for which it is best known.

31/ **POLISH DELEGATION IN U.S.**

Polish delegation tries to stimulate investment interest in business and broadcasting in Poland.

32/ **NPR DUES**

National Public Radio's board of directors softens member dues to stations while maintaining ambitious programing plans.

34/ **ROAD TO NAB**

There will be array of satellite service and equipment options, particularly in newsgathering, at National Association of Broadcasters convention in Atlanta.

36/ **NEW FROM SONY**

Sony Broadcast Products Co. develops digital transmission technology that promises to make satellite newsgathering gear lighter and to reduce cost of satellite transmission.

37/ **CABLE TAX ISSUE**

Two lawsuits involving TCI and Jefferson-Pilot call into question provision of tax code that has saved Fifth Estate hundreds of millions of dollars.

41/ **WHAT'S AHEAD AT NAB**

Among highlights of NAB convention is largest HDTV exhibit ever, management, sales and promotion panels and address by FCC Chairman Al Sikes.

44/ **TURNER ADVICE TO NAB**

Turner Broadcasting Systems tells NAB that "if carry/must pay" proposal is constitutionally flawed.

63/ **IDEALISM AND ACUMEN**

For Frank Osborn, excitement of running Osborn Communications Corp., owner of 17 radio and five TV stations, lies in successfully blending "pro-social" company with well-run business.

'sex, lies and videotape'

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BY THE NUMBERS 1

For the week ended Feb. 4, NBC won with a 15 rating and a 24 share. ABC was second with a 13.5/22 and CBS was third with an 11.7/19.

Night by night, NBC won Monday, Wednesday, Thursday and Saturday. ABC won Tuesday and Friday. CBS won Sunday.

Three mid-season shows continue to deliver first-place ratings in their time periods. For Week 20, ABC's *America's Funniest Home Videos* (Sunday, 8 p.m.) was the seventh-ranked program, with a 19.8/29, beating CBS's *Murder, She Wrote* and NBC's *Greatest Practical Jokes*.

ABC's *Coach* (Tuesday, 9:30) delivered an 18.8/29, to place ninth for the week, beating a CBS telefilm (*The Plot to Kill Hitler*) and NBC's *Matlock*. NBC's *Grand* (Thursday, 8:30), turned in a 17.7/27, easily beating *Father Dowling* on ABC and *48 Hours* on CBS.

It was a good week for network specials, with two of them finishing among the top 20. NBC's

"By the Numbers" continues on page 10.

RATINGS ROUNDUP

Week 20 □ Jan. 29–Feb. 4

Rank/rating		Network	Show
1	▲ 24.1/35	A	*Roseanne*
2	▲ 22.7/34	N	*Cheers*
3	22.4/35	N	*Bill Cosby Show*
4	▲ 21.5/35	N	*Golden Girls*
5	21.3/34	C	*60 Minutes*
6	▲ 20.0/33	N	*Empty Nest*
7	19.8/29	A	*Am. Funniest Home Videos*
8	▲ 19.2/29	A	*Empty Nest*
9	▲ 18.8/29	A	*Coach*
10	▲ 18.7/30	N	*Unsolved Mysteries*
11	▲ 18.4/28	A	*Who's the Boss?*
12	▲ 18.3/27	N	*Sun. Night Movie*
13	18.1/28	C	*Murder, She Wrote*
14	▼ 17.7/27	N	*Grand*
15	▲ 17.2/26	N	*Amen*
16	▲ 17.1/26	N	*In the Heat of the Night*
17	16.8/28	N	*Letterman's 8th Anniversary*
18	▲ 16.7/28	A	*Full House*
19	16.3/24	A	*Sammy Davis Jr. 60th Anniver-*
20	▼ 16.2/25	N	*Matlock*
21	▲ 16.1/28	A	*Growing Pains*
22	▲ 15.9/25	A	*Doogie Howser, M.D.*
23	15.4/23	C	*Designing Women*
24	▲ 15.3/26	A	*Family Matters*
24	15.3/23	C	*Murphy Brown*
24	▲ 15.3/24	N	*Mon. Night Movies*
27	14.8/23	A	*Mon. Night Movies*
28	▼ 14.7/22	C	*Sun. Movie*
29	▲ 14.6/24	A	*Perfect Strangers*
30	▼ 14.4/26	N	*Hunter*
31	▲ 14.3/23	A	*Just the Ten of Us*
31	▲ 14.3/20	F	*The Simpsons*
33	▼ 14.1/24	C	*Knots Landing*
34	▼ 14.0/24	N	*227*
34	■ 13.9/21	C	*City*
36	13.9/21	C	*Major Dad*
37	▲ 13.8/20	N	*Hogan Family*
38	13.7/20	A	*MacGyver*
38	▼ 13.7/25	N	*Midnight Caller*
40	▼ 13.5/24	A	*20/20*
41	13.0/20	N	*ALF*
41	▼ 13.0/18	F	*Married...With Children*
43	12.8/21	C	*Dallas*
44	12.7/20	C	*Newhart*
44	12.7/23	A	*thirtysomething*
46	▲ 12.6/19	C	*Rescue: 911*
47	▲ 12.0/26	N	*Baywatch*
48	▼ 11.6/18	A	*Father Dowling Mysteries*
49	▼ 11.3/20	N	*Mancuso, FBI*
50	11.1/19	A	*China Beach*
51	▼ 10.8/18	N	*True Blue*
52	10.6/16	C	*Island Son*
52	10.6/18	C	*Jake and the Fatman*
52	▼ 10.6/18	N	*Quantum Leap*
55	▼ 10.3/16	A	*Young Riders*
56	10.2/17	C	*Doctor, Doctor*
57	10.0/18	C	*Falcon Crest*
58	9.8/16	A	*Analyze*
58	▼ 9.8/15	C	*48 Hours*
58	9.8/16	C	*Paradise*
61	▲ 9.5/14	F	*America's Most Wanted*
62	▼ 9.3/16	A	*Mystery Movie*
63	▼ 9.0/15	A	*Primetime Live*
64	▲ 8.9/14	A	*Life Goes On*
65	8.8/16	C	*Sat. Night With Connie Chung*
66	8.7/14	N	*Magical World of Disney*
67	8.4/12	N	*Greatest Practical Jokes*
68	8.1/13	C	*Grand Slam*
68	8.1/14	C	*You Don't Look 40, C. Brown*
70	7.7/13	C	*Tour of Duty*
71	▼ 7.2/12	C	*Thurs. Movie*
72	▼ 7.0/12	F	*Cops*
72	▼ 7.0/12	A	*Mission: Impossible*
74	▲ 6.4/9	F	*Alien Nation*
75	▼ 6.2/9	F	*Open House*
76	▲ 6.1/9	F	*21 Jump Street*
77	▼ 6.0/10	F	*Booker*
78	▼ 5.9/10	F	*Totally Hidden Video*
79	▼ 4.6/8	F	*Reporters*
80	▼ 4.1/6	F	*Tracey Ullman Show*
81	▼ 2.8/5	F	*It's Garry Shandling's Show*

Guide to symbols: ▼ —Down from last week ▲ —Up from last week ■ —Premiere broadcast

Source: Nielsen and Broadcasting's own research.

FREEZE FRAMES: Syndication Scorecard *

Week ended Jan. 28

Rank	Program (Syndicator)	Rtg	Stns	Covg
1	Wheel of Fortune, syn. (King World)	15.8	230	99
2	Jeopardy! (King World)	13.5	216	98
3	Star Trek: Next Generation (Paramount)	10.7	232	97
4	Cosby Show (Viacom)	10.2	204	98
5	Oprah Winfrey Show (King World)	9.6	216	99
6	Current Affair (20th Century Fox TV)	9.4	186	95
7	Entertainment Tonight (Paramount)	9.0	172	96
8	Wheel of Fortune, wknd. (King World)	8.6	183	82
9	Fox Premiere Movie (Fox)	6.5	132	88
10	Donahue (Multimedia)	6.1	225	99
10	Family Feud 2 (LBS)	6.1	133	86
12	Inside Edition (King World)	5.9	98	79
12	Star Search (TPE)	5.9	149	95
14	People's Court (Warner Bros. Domestic TV)	5.8	169	90
15	Family Feud 1 (LBS)	5.7	134	87
15	Geraldo (Paramount)	5.7	193	98

The following shows were rated, but not ranked

Wrestling Network	7.5	177	92
World Wrestling Federation (WWF)	9.3	231	97

* Nielsen weekly pocketpiece

Source: Nielsen and Broadcasting's own research.

Summary of Broadcasting & Cable

BROADCASTING

SERVICE	ON AIR	CP's †	TOTAL *
Commercial AM	4,972	250	5,222
Commercial FM	4,298	809	5,067
Educational FM	1,420	269	1,689
■ Total Radio	10,690	1,328	11,978
Commercial VHF TV	548	20	568
Commercial UHF TV	544	194	738
Educational VHF TV	123	6	129
Educational UHF TV	225	23	248
■ Total TV	1,440	243	1,683
VHF LPTV	300	205	505
UHF LPTV	457	1,508	1,832
■ Total LPTV	757	1,713	2,337
FM translators	1,803	318	2,121
VHF translators	2,716	121	2,837
UHF translators	2,188	419	2,607

CABLE†

Total subscribers	52,300,000
Homes passed	73,900,000
Total systems	9,500
Household penetration†	57.1%
Pay cable penetration	29.4%

* Includes off-air licenses. † Penetration percentages are of TV household universe of 92.1 million. ‡ Construction permit. ‖ Instructional TV fixed service. ¶ Studio-transmitter link. Source: Nielsen and Broadcasting's own research.

"By the Numbers" continues from page 8.

David Letterman's 8th Anniversary Special (Thursday, 9:30-11) was first in its time period, beating *Young Riders* and *Prime Time Live* on ABC and *Island Son* and *Knots Landing* on CBS.

ABC's *Sammy Davis Jr. 60th Anniversary Special* was 19th for the week, and second in its time period (Sunday, 8-11) with a 16.3/24. NBC's "Lethal Weapon" was first with an 18.3/27, and part one of CBS's telefilm *Family of Spies* was last.

In the evening news race, ABC continued its winning ways with an 11/20 for the week. NBC was second with a 10.4/19 and CBS was last with a 10/19. Season to date, the news standings are ABC, 11.2/1; CBS, 10.4/19; and NBC, 10.1/19.

MarketScope

CBS bumped up 3% to 184¼ and was also among biggest gainers in prior week's option trading. No news was linked to gain, but rumors about possible merger with Disney continued. McGraw-Hill continued decline, dropping 2% to 55¼, near 52-week low. Company reported fourth-quarter loss, due to restructuring charges, and was subject of critical front-page *Wall Street Journal* article last Tuesday. Preliminary financing accord for acquisition of LIN Broadcasting was likely behind 7% of that stock last week to 112¼. News Corp. shares continued to drop and have fallen 23% over past four weeks, to 17⅛ as of last Wednesday. Decline has continued beyond that of other highly-leveraged stocks and is attributed to variety of concerns, mostly in England, including start-up of new competitors for *The Sunday Times* (of London), and fears that Labour Party win in upcoming elections could lead to new crossownership restrictions on company. Viacom was up 15%, to 50½, which one market source attributed to open-market purchases by company's majority owner, National Amusements. Unitel Video gained 12%, to 10⅝, after declining over prior weeks.

Stock Index Notes: T-Toronto, A-American, Y-NYSE, O-NASDAQ. Bid prices and common A stock used unless otherwise noted. P/E ratios are based on earnings per share for the previous 12 months as published by Standard & Poor's or as obtained by Broadcasting's own research.

STOCK INDEX 1

BROADCASTING

	Closing Wed Feb 7	Closing Wed Jan 31	Net Change	Percent Change	P/E Ratio	Market Capitalization ($000,000)
N (CCB) Capital Cities/ABC	24 1/4	15	– 12	– 00.18	21	9,629
N (CBS) CBS	94 1/4	79 5/8	– 7 1/4	– 03.97	16	4,138
A (CCU) Clear Channel	1 3/4	1 1/2	– 7/8	– 06.36	-107	50
A (HTG) Heritage Media	5/8	5/8	– 1/2	– 12.90	-2	150
O (JCOR) Jacor Communic.	1/8	1/4	– 1/8	– 02.17	-3	55
O (LINB) LIN	12 3/4	5 1/2	– 2 1/2	– 02.17	60	5,805
O (OBCCC) Olympia Broadcast	1/4	1/4		00.00		
O (OSBS) Osborn Commun.		3/4	– 1/4	– 02.08	-55	81
O (OCOMA) Outlet Commun.		9 1/2	– 2 1/2	– 10.00	14	147
A (PR) Price Commun.	3/8	1/8	– 1/2	– 08.16	-4	51
O (SAGB) Sage Broadcasting	3/4	3/4		00.00	-2	10
O (SCRP) Scripps Howard	1	7	– 1	– 01.56	32	650
O (SUNNC) SunGroup Inc.	2	2		1/8	06.66	-2	4
O (TLMD) Telemundo	3/8	3/8	–	3/8	– 06.52	-2	122
O (TVXOC) TVX Broadcast	4	7/8		1/8	03.12		30
O (UTVD) United Television	4 1/8	3	– 1 1/4	– 03.54	5	370

BROADCASTING WITH OTHER MAJOR INTERESTS

	Closing Wed Feb 7	Closing Wed Jan 31	Net Change	Percent Change	P/E Ratio	Market Capitalization ($000,000)
N (BLC) A.H. Belo	3 3/4	3 1/8	– 2 1/4	– 05.56	8	124
N (AFL) American Family	5 5/8	5 7/8	– 1 1/8	– 08.61	16	1,288
O (ACOMA) Assoc. Communic.	2	1 1/4	– 2 1/4	– 06.38	-79	81
N (CCN) Chris-Craft	3	2	– 7/8	– 08.42	3	83
O (DUCO) Durham Corp.	9	8 3/4	1/2	05.55	30	28
N (GCI) Gannett Co.	3/4	1	– 3	– 04.26	15	6,588
O (GACC) Great Amer. Comm.	1/4	1/4	–	00.00	-2	39
N (JP) Jefferson-Pilot	9 1/2	8	– 1/2	– 01.23	12	1,134
N (KRI) Knight-Ridder	5 7/8	5 1/2	– 2 1/2	– 04.34	12	4,718
N (LEE) Lee Enterprises	3 3/8	3 1/2	– 1	– 03.03	17	78
N (LC) Liberty	5	4	1/2	01.13	23	37
O (MMP) Multimedia	5 1/4	5 5/8	– 2 3/4	– 04.85	14	1,000
A (MEGA) Media General	1/4	1 1/4	– 1 7/8	– 05.26	-10	76
N (MDP) Meredith Corp.	2	1 1/2	– 1 1/8	– 04.77	23	88
O (NMEDC) Multimedia	6 3/4	5	– 5 1/4	– 06.79	20	348
N (NYTA) New York Times	4 3/8	5	– 1/2	– 03.84	11	2,232

STOCK INDEX 2

PROGRAMING

	Closing Wed Feb 7	Closing Wed Jan 31	Net Change	Percent Change	P/E Ratio	Market Capitalization ($000,000)
A (ALLI) All American TV	5/8	1/2	– 1/8	– 04.76		3
A (CLR) Color Systems	3/8	1/2		00.00	-2	13
O (DCPS) dick clark prod.	1/2	3/4		00.00	25	55
N (DIS) Disney	9	4 1/8	– 6 5/8	– 05.87	21	14,817
O (FINN) Financial News	1/8	1/2	– 1/4	– 03.44	31	125
A (FD) Fries Entertain.	1/8	1/8	– 1/8	– 05.26	-1	10
A (HHH) Heritage Entertain.	1/2	1/2	– 1/8	– 07.14	-1	12
A (HSH) Home Shopping Ntk.	1/4	3/8	– 1/2	– 05.71	51	749
O (KWP) King World	8/8	1	– 1 1/4	– 03.03	13	937
O (MSNI) Kings Road Entertain.	1/4	9/32	1/32	12.50		1
N (MCA) MCA	4 7/8	2 5/8	– 3 7/8	– 06.26	21	4,250
N (MGM) MGM/UA Commun.	2	1 7/8	– 2 1/4	– 14.75	-9	863
A (NWS) Nelson Holdings	8 7/8	8 1/8	– 1 1/8	– 09.89		44
O (NNET) Nostalgia Network	5/8	7/8	– 1/8	– 05.88	-2	11
N (OPC) Orion Pictures	7 1/8	6 3/8	– 3 1/4	– 15.11	22	328
N (PCI) Paramount Commun.	44 5/8	42 3/4	– 3 7/8	– 07.59	15	5,809
A (PLA) Playboy Ent.	4 3/8	4 1/2	– 1/8	00.86	-162	137
O (QTSD) Qintex Ent.	1 1/4	1 1/4		00.00		26
A (SPCN) SPC Network	4 1/2	2 7/8	– 1 1/8	– 08.47	34	183
N (SPC) Stevens Commun.	6 3/4	6 3/4	– 1/8	– 01.81	-6	86
O (SPCA) Republic Pic. 'A'	3/4	1/2		00.00	105	40
O (SPCB) Republic Pic. 'B'	1/2	1/2	– 1/4	– 02.70	100	38
O (SPI) Spelling Entertainment	1 1/8	1 1/4	– 1/4	– 02.10	31	394
A (VIKE) Video Jukebox Ntk.	7 5/8	7	– 7/8	– 10.14	-24	72
O (WOMN) Westwood One	3/4	1/4	– 1 7/8	– 20.83	-5	103

SERVICE

O (ADSP) Ackerley Group	3 5/8	3 5/8	– 1/8	– 03.33	-2	33
N (BHR) Barnes & Noble	7 3/4	7 1/4	– 3/8	– 02.09	23	220
N (CCI) Comsat	5 7/8	5	– 3/4	– 01.86	10	618
N (DNB) Dun & Bradstreet	4 5/8	4 3/8	– 2 5/8	– 06.83	11	7,922
N (FCB) Foote Cone & B.	7 7/8	7 7/8	– 3/8	– 02.10	19	343
O (GREY) Grey Advertising	56	56		00.00	14	186
O (IDEA) IDB Communications	3/4	3/8	– 1/2	– 05.00	475	47
N (IPG) Interpublic Group	30 1/2	31 3/8	– 2 3/8	– 07.03	16	1,075
O (OMCM) Omnicom Group	24	25	– 7/8	– 03.38	14	619

	Closing Wed Feb 7	Closing Wed Jan 31	Net Change	Percent Change	P/E Ratio	Market Capitalization ($000,000)
N (IPG) Interpublic Group	3/4	1/2	– 2 3/8	– 07.03	16	1,088
O (OMCM) Omnicom Group	3 3/4	3 5/8	– 7/8	– 03.88	14	958
N (SAA) Saatchi & Saatchi	3 1/4	2 1/2	– 1 1/8	– 08.41	-10	1,917
O (TLMT) Telemation	3/4	5/8		00.00	5	11
A (UNIV) United Video	3/8	1/4	– 1 3/8	– 11.61	19	25

CABLE

A (ATN) Acton Corp.	3	3	– 7/8	– 05.86	-3	22
O (ATCMA) Acton TV & Comm.	5 1/2	5 1/8	– 3/4	– 01.86	40	4,333
O (CTED) C-Tec Corp.		9 3/4	– 1 3/4	– 06.96	31	405
A (CVC) Colebrook Syst. 'A'	1 3/8	2	– 4 3/4	– 12.80	-5	725
A (CTY) Century Comm.	10 1/2	10 1/2	– 1 3/8	– 11.11	-14	717
O (CECSA) Comcast	3 7/8	4 3/4	– 1 3/8	– 08.52	-12	1,055
A (FAL) Falcon Cable Systems	7 5/8	8	– 1 1/2	– 07.94	-30	111
O (JOIN) Jones Intercable	2 3/4	2 3/4	– 5/8	– 04.03	-6	184
T (RCLA) Rogers Commun. 'A'	110	110		00.00	-40	608
T (RCLB) Rogers Commun. 'B'	81 1/2	81 1/2		00.00	-31	1,450
O (TCAT) TCA Cable TV	3	3 1/2	– 1 3/4	– 10.80	30	358
O (TCOMA) Tele-Commun.	5 3/8	5 1/2	– 1 1/4	– 07.57	-31	5,381
N (TWX) Time Warner	103 1/4	96 1/4	– 2 1/8	– 01.91	255	7,361
O (UAECA) Unified Art. Ent. A	18 3/4	16 1/8	– 1 7/8	– 10.20	-9	2,258
O (UAECB) Unified Art. Ent. B	17	15 5/8	– 1 5/8	– 09.84	-8	1,119
N (VIA) Viacom	1/2	7	– 5 7/8	– 10.04	24	2,303
N (WU) Western Union	1932	1932		00.00		25

EQUIPMENT & MANUFACTURING

N (GRN) 3M	7/8	8 1/8	– 1 5/8	– 01.86	14	18,172
N (ARV) Arvin Industries	4 3/8	4 3/8	– 5/8	– 04.09	36	274
O (CCBL) C-Cor Electronics	1 1/4	3/4		00.00	8	43
N (CHY) Chyron	1/8	1/4	– 1/4	– 09.52	-18	26
A (CMU) Cohu	1/4	1/8	1/8	01.28	7	19
N (EK) Eastman Kodak	8 5/8	8 1/2	– 2 1/8	– 05.29	14	13,057
N (GRL) Gen. Instrument	9	8 1/4	1/8	00.31	12	1,089
N (GD) General Instrs.	2 5/8	2 1/4	– 1 5/8	– 02.61	15	56,844
N (HRS) Harris Corp.	1/8	7 7/8	– 7/8	– 02.61	47	1,266
N (MAI) MA Com. Inc.	1/8	1/8	1/4	– 05.12	482	110
N (IV) Mark IV Indus.	1 7/8	1	– 3/4	– 00.58	3	199
O (MART) Multiband Mark.	11/32	1 9/16		00.00	84	10
O (MCDY) Microdyne	3/4	1/8	– 1/8	– 02.85	47	17
O (MCOM) Midcom Commun.	1/8	1/2	– 5/8	– 12.82	12	12
N (MOT) Motorola	8 5/8	4 5/8	– 2 1/2	– 04.00	15	7,796
N (OAO) Oak Industries	1/8	1/8		00.00	41	100
A (PPI) Pico Products	1/4	1/8	– 1/8	– 00.00		4
N (SFA) Scientific-Atlanta	4 1/4	2 1/4	– 2	– 08.51	13	492
N (SNE) Sony Corp.	7	7 1/2	– 3/8	– 00.85	28	16,602
N (TEK) Tektronix	6 5/8	6 5/8	1/8	00.82	201	524
N (VAR) Varian Assoc.	2	3/4	– 1 1/4	– 05.88	13	419
O (WGNR) Wegener	2	2	– 1/8	– 04.54	73	19
N (WHI) Whittaker	2 1/2	2 1/4	– 1 5/8	– 02.21	12	19,422
N (ZEN) Zenith	1/8	1/2	– 1/4	– 02.00	-12	327
Standard & Poor's 400	368.39		375.09		17	

■ **June 20-22**—Advanced seminar for European radio broadcasters in management and programing. "The Future Is Here," sponsored by *Radio Express*, distributor of American radio programs, and *Burns Media Consultants*, Heidelberg, West Germany. Information: (213) 850-1003.

June 20-24—*Society of Cable Television Engineers* annual conference. Stouffer's and Nashville Convention Center, Nashville. Information: (215) 363-6888.

June 21-22—*C-SPAN* Capitol Experience seminar to provide cable operators with insight into the network's programing philosophy, reasons to carry C-SPAN and ways to promote it among their general audience. C-SPAN headquarters, Washington. Information: (202) 737-3220.

■ **June 23**—Non-televised presentation of 17th Annual Daytime Emmy Awards for creative arts categories, sponsored by *Academy of Television Arts and Sciences* and *National Academy of Television Arts and Sciences*. Sheraton Universal hotel, Universal City, Calif. Information: (818) 763-2975.

June 25-29—Advanced Television: The Complete Picture, fourth international colloquium on advanced television systems, hosted by *Canada* and sponsored by *National Film Board, Department of Communications; Canadian Broadcasting Corp.*, and *Telesat Canada*. Ottawa Congress Center, Ottawa. Information: (613) 224-1741.

■ **June 28**—Broadcast on ABC-TV of 17th annual daytime Emmy Awards, sponsored by *Academy of Television Arts and Sciences* and *National Academy of Television Arts and Sciences*, New York. Information: (818) 763-2975.

June 28-July 1—*Mississippi Association of Broadcasters* 49th annual convention. Biloxi Hilton hotel, Biloxi, Miss.

Open Mike

Answer on AM

EDITOR: As a scarred veteran of this industry, it is rare that I have the opportunity to read an article so full of inaccuracies, misrepresentations and factual errors as provided by Eric Norberg in his Jan. 22 "Monday Memo." Mr. Norberg's comments indicate little understanding regarding the problems of the AM band or the way that radio works.

FM's first successes were founded on the very qualities that Mr. Norberg attributes solely to the AM band. The success of *any* radio station (not just AM, as Mr. Norberg suggests), or any medium for that matter, depends on "involving and interesting" the audience. A surface glance at any radio market will yield plentiful examples of active, foreground FM stations exhibiting the same amount of energy, content, variety and substance that Mr. Norberg suggests are the province of the AM band.

FM now dominates AM for a few fairly simple reasons:

■ FM stations began programing niche formats to make their market. Now all successful radio formats are "niche" formats, each targeting no more than two age cells.

■ Most formats involve music, and music sounds better on FM. This reaches beyond the matter of a station transmitter upgrade to the overall quality of the receiver. Music will not be a viable entity on AM as long as this difference exists. Recent ratings are filled with examples of music-intensive AM stations being decimated by new FM competition offering the same format.

Listeners aged 12-40 were raised on FM radio. Their habitual listening patterns are oriented toward FM, meaning the current potential for AM lies in 45-plus demographics. The only non-music format that targets 45-plus age cells is news/talk/information.

Niche formats, dominance of music-intensive programing, AM-FM orientation by age group, sound quality—the list could go on and on. It is clear, however, that energy level and program substance are keys to success for any station. Ignoring these facts will condemn AM radio to a continuation of performance problems.—*Gerry Bochnic, vice president, director of radio research, Katz Radio, New York.*

Counting question

EDITOR: The public service material we're receiving on the upcoming U.S. Census raises questions in my mind about our current methods of audience measurement. We're supposed to widely publicize the goverment's effort to count the country's population, but keep secret an attempt to count our listeners and viewers. We take meticulous steps to instruct people how to fill out census forms, but telling anyone how to fill out a diary is wrong.

Can you imagine the Secretary of Commerce listing certain metropolitan areas below the line in the 1990 census report if stations in the market exceeded the specified amount or type of public service announcements? Perhaps we should think about and encourage their participation. Given the full story, and a sense of the importance of ratings, loyal listeners and viewers would cooperate to help their favorite stations. We'd also produce better research.—*Charlie Brogan, program director, KRVN-AM-FM Lexington, Neb.*

Radio Rx

EDITOR: Congratulations to BROADCASTING on raising the consciousness of radio's future with two "Monday Memo's" (Jan. 22 and Jan. 29.) It is so refreshing to see that both of these essays emphasized innovation rather than imitation. People in this business are constantly copying whoever won the sweeps during the last ratings cycle. In the end, it is the innovative minds that have always set the course for broadcasting's history. These essays and your fine series on the future of AM addressed this issue beautifully.

If only the spirit of these articles would be applied in our medium.—*Travis Medcalf, WJEJ(AM)-WWMD(FM) Hagerstown, Md.*

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RADIO TELEVISION CABLE SATELLITE

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1989's Bottom Line for TV Groups

Company	Revenue (000)	% chg	Earnings (000)	% chg
Capital Cities/ABC*	$3,899,989	4%	$836,149	16%
Cosmos Broadcasting	$130,700	-3%	$8,000	-19%
LIN Broadcasting*	$162,378	3%	$75,048	1%
McGraw-Hill	$97,274	1%	$32,025	67%
Multimedia*	$136,942	0%	$55,400	1%
Post-Newsweek	$182,545	1%	$72,128	12%
New York Times*	$74,800	6%	$12,700	1%
Scripps Howard*	$222,627	4%	$59,554	2%
Times Mirror	$102,790	4%	$40,294	-3%
United Television	$106,864	6%	$3,539	-61%

*Results may include other operations but are predominantly from TV.

Poor profit picture for most television groups in 1989

No one expected 1989 to shine when compared with the 1988 earnings of TV station operators. However, the actual results, many released just last week by publicly held group owners, clearly reveal an anemic profit picture on weak revenue growth. Excluding certain companies with special circumstances, most group operators reported profit declines or growth below the rate of inflation. While revenue comparisons should be easier in 1990, concerns about the economy and advertising will once again put attention on station operators' abilities to control costs.

Capital Cities/ABC reported strong 1989 gains for its broadcasting division, but most of that came from the television network, while both revenue and income increases for the stations were "moderate." Post Newsweek earnings were almost flat, rather than up 12%, if one ignores the special programing write-down taken last year. Similar write-downs also benefited the 1989-1988 comparison for McGraw-Hill, which cited as "good cost controls" the 15% slash in operating expenses it reported.

Of the publicly held group owners that had issued year-end financial results for their broadcasting operations (see chart), several had only disclosed revenue, and not profit. A.H. Belo, which also took programing write-downs in 1988 and whose five-station group is heavily dependent on the improving Texas economy, said that 1989 revenue was up 8%. Gannett reported a 4% revenue increase in its broadcasting revenue, to $408.4 million, and securities analyst Lisa Donneson of County NatWest estimated that operating income declined 4%, to $113 million.

Modest revenue growth was not unexpected, given comparisons against 1988 which had both the Olympics and

Continues on page 26

Stations pleasantly surprised by 1st quarter advertising

In a year when many station operators and rep firms are predicting slower growth in advertising sales, the first quarter surprised many with higher than expected increases. However, with automobile advertising expected to decrease, many sales reps and advertisers see strong political advertising to be the difference between a bad year and an average year.

A potential dark cloud is the threat of a baseball strike, which could leave stations scrambling for replacement programing and advertising.

For 1990, industry experts are looking for 4% to 6% revenue growth, spot and local combined. Increased advertising expenditures are expected from the airlines, fast food restaurants and the movie industry. The second half of the year should also see increased revenue from political campaigns. The Television Bureau of Advertising estimates a 6% increase in spot sales and 7% in local sales.

National spot, according to McCann-Erickson Worldwide Vice President Bob Coen, will increase between 3.5% and 4% and local advertising should gain about 6.6% with a heavy reliance on local retailers.

Group W Television Sales President Ed Goldman said that without elections, the base increase for advertising would probably be about 5%. For the year, though, Goldman said

For 1990, industry experts are looking for 4% to 6% revenue growth, spot and local combined. Increased advertising expenditures are expected from the airlines, fast food restaurants and the movie industry.

that ad budgets are usually the "most liquid of a client's expenses and that bodes for a rough year." The local market, he said, can no longer rely on advertising trickling down from national and network advertising.

The General Motors announcement that it would withdraw a piece of its prime time buy made during last spring's upfront television marketplace representing about $50 million has most advertisers and reps preparing for other auto manufacturers to follow suit (BROADCASTING, Jan. 22). As one sales rep head put it: "When the economy gets a little shaky, category leaders like GM, Anheuser-Busch and Miller tend to take the lead in spending and put money behind a soft economy while the rest tend to cut back. If GM

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